

1 **SEC. 136407. CREDIT FOR CERTAIN NEW ELECTRIC BICY-**
2 **CLES.**

3 (a) IN GENERAL.—Subpart C of part IV of sub-
4 chapter A of chapter 1, as amended by the preceding pro-
5 visions of this Act, is amended by inserting after section
6 36D the following new section:

7 **“SEC. 36E. ELECTRIC BICYCLES.**

8 **“(a) ALLOWANCE OF CREDIT.—**There shall be al-
9 lowed as a credit against the tax imposed by this chapter
10 for the taxable year an amount equal to 30 percent of the
11 cost of each qualified electric bicycle placed in service by
12 the taxpayer during such taxable year.

13 **“(b) LIMITATIONS.—**

14 **“(1) LIMITATION ON COST PER ELECTRIC BICY-**
15 **CLE TAKEN INTO ACCOUNT.—**The amount taken
16 into account under subsection (a) as the cost of any
17 qualified electric bicycle shall not exceed \$3,000.

18 **“(2) BICYCLE LIMITATION WITH RESPECT TO**
19 **CREDIT.—**

20 **“(A) LIMITATION ON NUMBER OF PER-**
21 **SONAL-USE BICYCLES.—**In the case of any tax-
22 payer for any taxable year, the number of per-
23 sonal-use bicycles taken into account under sub-
24 section (a) shall not exceed the excess (if any)
25 of—

1 “(i) 1 (2 in the case of a joint return),
2 reduced by

3 “(ii) the aggregate number of bicycles
4 taken into account by the taxpayer under
5 subsection (a) for the 2 preceding taxable
6 years.

7 “(B) PHASEOUT BASED ON MODIFIED AD-
8 JUSTED GROSS INCOME.—The credit allowed
9 under subsection (a) shall be reduced by \$200
10 for each \$1,000 (or fraction thereof) by which
11 the taxpayer’s modified adjusted gross income
12 exceeds—

13 “(i) \$150,000 in the case of a joint
14 return or a surviving spouse (as defined in
15 section 2(a)),

16 “(ii) \$112,500 in the case of a head
17 of household (as defined in section 2(b)),
18 and

19 “(iii) \$75,000 in the case of a tax-
20 payer not described in clause (i) or (ii).

21 “(C) MODIFIED ADJUSTED GROSS IN-
22 COME.—For purposes of subparagraph (B), the
23 term ‘modified adjusted gross income’ means
24 adjusted gross income increased by any amount

1 excluded from gross income under section 911,
2 931, or 933.

3 “(D) SPECIAL RULE FOR MODIFIED AD-
4 JUSTED GROSS INCOME TAKEN INTO AC-
5 COUNT.—The modified adjusted gross income
6 of the taxpayer that is taken into account for
7 purposes of this paragraph shall be the lesser
8 of—

9 “(i) the modified adjusted gross in-
10 come for the taxable year in which the
11 credit is claimed, or

12 “(ii) the modified adjusted gross in-
13 come for the immediately preceding taxable
14 year.

15 “(c) QUALIFIED ELECTRIC BICYCLE.—For purposes
16 of this section, the term ‘qualified electric bicycle’ means
17 a bicycle—

18 “(1) the original use of which commences with
19 the taxpayer,

20 “(2) which is acquired for use by the taxpayer
21 and not for resale,

22 “(3) which is made by a qualified manufacturer
23 and is labeled with the qualified vehicle identification
24 number assigned to such bicycle by such manufac-
25 turer,

1 “(4) with respect to which the aggregate
2 amount paid for such acquisition does not exceed
3 \$4,000, and

4 “(5) which is equipped with—

5 “(A) fully operable pedals,

6 “(B) a saddle or seat for the rider, and

7 “(C) an electric motor of less than 750
8 watts which is designed to provided assistance
9 in propelling the bicycle and—

10 “(i) does not provide such assistance
11 if the bicycle is moving in excess of 20
12 miler per hour, or

13 “(ii) if such motor only provides such
14 assistance when the rider is pedaling, does
15 not provide such assistance if the bicycle is
16 moving in excess of 28 miles per hour.

17 “(d) VIN NUMBER REQUIREMENT.—

18 “(1) IN GENERAL.—No credit shall be allowed
19 under subsection (a) with respect to any qualified
20 electric bicycle unless the taxpayer includes the
21 qualified vehicle identification number of such bicy-
22 cle on the return of tax for the taxable year.

23 “(2) QUALIFIED VEHICLE IDENTIFICATION
24 NUMBER.—For purposes of this section, the term
25 ‘qualified vehicle identification number’ means, with

1 respect to any bicycle, the vehicle identification num-
2 ber assigned to such bicycle by a qualified manufac-
3 turer pursuant to the methodology referred to in
4 paragraph (3).

5 “(3) QUALIFIED MANUFACTURER.—For pur-
6 poses of this section, the term ‘qualified manufac-
7 turer’ means any manufacturer of qualified electric
8 bicycles which enters into an agreement with the
9 Secretary which provides that such manufacturer
10 will—

11 “(A) assign a vehicle identification number
12 to each qualified electric bicycle produced by
13 such manufacturer utilizing a methodology that
14 will ensure that such number (including any al-
15 phanumeric) is unique to such bicycle (by uti-
16 lizing numbers or letters which are unique to
17 such manufacturer or by such other method as
18 the Secretary may provide),

19 “(B) label such bicycle with such number
20 in such manner as the Secretary may provide,
21 and

22 “(C) make periodic written reports to the
23 Secretary (at such times and in such manner as
24 the Secretary may provide) of the vehicle identi-
25 fication numbers so assigned and including

1 such information as the Secretary may require
2 with respect to the qualified electric bicycle to
3 which such number was so assigned.

4 “(e) SPECIAL RULES.—

5 “(1) BASIS REDUCTION.—For purposes of this
6 subtitle, the basis of any property for which a credit
7 is allowable under subsection (a) shall be reduced by
8 the amount of such credit so allowed.

9 “(2) NO DOUBLE BENEFIT.—The amount of
10 any deduction or other credit allowable under this
11 chapter for a qualified electric bicycle for which a
12 credit is allowable under subsection (a) shall be re-
13 duced by the amount of credit allowed under such
14 subsection for such bicycle.

15 “(3) PROPERTY USED OUTSIDE UNITED STATES
16 NOT QUALIFIED.—No credit shall be allowable under
17 subsection (a) with respect to any property referred
18 to in section 50(b)(1).

19 “(4) RECAPTURE.—The Secretary shall, by reg-
20 ulations or other guidance, provide for recapturing
21 the benefit of any credit allowable under subsection
22 (a) with respect to any property which ceases to be
23 property eligible for such credit.

24 “(5) ELECTION NOT TO TAKE CREDIT.—No
25 credit shall be allowed under subsection (a) for any

1 bicycle if the taxpayer elects to not have this section
2 apply to such bicycle.

3 “(f) TREATMENT OF CERTAIN POSSESSIONS.—

4 “(1) PAYMENTS TO POSSESSIONS WITH MIRROR
5 CODE TAX SYSTEMS.—The Secretary shall pay to
6 each possession of the United States which has a
7 mirror code tax system amounts equal to the loss (if
8 any) to that possession by reason of the application
9 of the provisions of this section (determined without
10 regard to this subsection). Such amounts shall be
11 determined by the Secretary based on information
12 provided by the government of the respective posses-
13 sion.

14 “(2) PAYMENTS TO OTHER POSSESSIONS.—The
15 Secretary shall pay to each possession of the United
16 States which does not have a mirror code tax system
17 amounts estimated by the Secretary as being equal
18 to the aggregate benefits (if any) that would have
19 been provided to residents of such possession by rea-
20 son of the provisions of this section if a mirror code
21 tax system had been in effect in such possession.
22 The preceding sentence shall not apply unless the re-
23 spective possession has a plan which has been ap-
24 proved by the Secretary under which such possession

1 will promptly distribute such payments to its resi-
2 dents.

3 “(3) MIRROR CODE TAX SYSTEM; TREATMENT
4 OF PAYMENTS.—Rules similar to the rules of para-
5 graphs (3), (4), and (5) of section 21(h) shall apply
6 for purposes of this section.

7 “(g) TRANSFER OF CREDIT.—

8 “(1) IN GENERAL.—Subject to such regulations
9 or other guidance as the Secretary determines nec-
10 essary or appropriate, if the taxpayer who acquires
11 a qualified electric bicycle after December 31, 2022
12 elects the application of this subsection with respect
13 to such qualified electric bicycle, the credit which
14 would (but for this subsection) be allowed to such
15 taxpayer with respect to such qualified electric bicy-
16 cle shall be allowed to the eligible entity specified in
17 such election (and not to such taxpayer).

18 “(2) ELIGIBLE ENTITY.—For purposes of this
19 paragraph, the term ‘eligible entity’ means, with re-
20 spect to the qualified electric bicycle for which the
21 credit is allowed under subsection (a), the retailer
22 which sold such qualified electric bicycle to the tax-
23 payer and has—

24 “(A) subject to paragraph (4), registered
25 with the Secretary for purposes of this para-

1 graph, at such time, and in such form and
2 manner, as the Secretary may prescribe,

3 “(B) prior to the election described in
4 paragraph (1) and no later than at the time of
5 such sale, disclosed to the taxpayer purchasing
6 such qualified electric bicycle—

7 “(i) the retail price,

8 “(ii) the value of the credit allowed or
9 other incentive available for the purchase
10 of such qualified electric bicycle,

11 “(iii) all fees associated with the pur-
12 chase of such qualified electric bicycle, and

13 “(iv) the amount provided by the re-
14 tailer to such taxpayer as a condition of
15 the election described in paragraph (1),

16 “(C) made payment to such taxpayer
17 (whether in cash or in the form of a partial
18 payment or down payment for the purchase of
19 such qualified electric bicycle) in an amount
20 equal to the credit otherwise allowable to such
21 taxpayer, and

22 “(D) with respect to any incentive other-
23 wise available for the purchase of a qualified
24 electric bicycle for which a credit is allowed
25 under this section, including any incentive in

1 the form of a rebate or discount provided by the
2 retailer or manufacturer, ensured that—

3 “(i) the availability or use of such in-
4 centive shall not limit the ability of a tax-
5 payer to make an election described in
6 paragraph (1), and

7 “(ii) such election shall not limit the
8 value or use of such incentive.

9 “(3) TIMING.—An election described in para-
10 graph (1) shall be made by the taxpayer not later
11 than the date on which the qualified electric bicycle
12 for which the credit is allowed under subsection (a)
13 is purchased.

14 “(4) REVOCATION OF REGISTRATION.—Upon
15 determination by the Secretary that a retailer has
16 failed to comply with the requirements described in
17 paragraph (2), the Secretary may revoke the reg-
18 istration (as described in subparagraph (A) of such
19 paragraph) of such retailer.

20 “(5) TAX TREATMENT OF PAYMENTS.—With
21 respect to any payment described in paragraph
22 (2)(C), such payment—

23 “(A) shall not be includible in the gross in-
24 come of the taxpayer, and

1 “(B) with respect to the retailer, shall not
2 be deductible under this title.

3 “(6) APPLICATION OF CERTAIN OTHER RE-
4 QUIREMENTS.—In the case of any election under
5 paragraph (1) with respect to any qualified electric
6 bicycle—

7 “(A) the amount of the reduction under
8 subsection (b) shall be determined with respect
9 to the modified adjusted gross income of the
10 taxpayer for the taxable year preceding the tax-
11 able year in which such qualified electric bicycle
12 was acquired (and not with respect to such in-
13 come for the taxable year in which such quali-
14 fied electric bicycle was acquired),

15 “(B) the requirements of paragraphs (1)
16 and (2) of subsection (e) shall apply to the tax-
17 payer who acquired the qualified electric bicycle
18 in the same manner as if the credit determined
19 under this section with respect to such qualified
20 electric bicycle were allowed to such taxpayer,
21 and

22 “(C) subsection (e)(5) shall not apply.

23 “(7) ADVANCE PAYMENT TO REGISTERED RE-
24 TAILERS.—

1 “(A) IN GENERAL.—The Secretary shall
2 establish a program to make advance payments
3 to any eligible entity in an amount equal to the
4 cumulative amount of the credits allowed under
5 subsection (a) with respect to any qualified elec-
6 tric bicycles sold by such entity for which an
7 election described in paragraph (1) has been
8 made.

9 “(B) EXCESSIVE PAYMENTS.—Rules simi-
10 lar to the rules of section 6417(c)(7) shall apply
11 for purposes of this paragraph.

12 “(8) RETAILER.—For purposes of this sub-
13 section, the term ‘retailer’ means a person engaged
14 in the trade or business of selling qualified electric
15 bicycles in a State, the District of Columbia, the
16 Commonwealth of Puerto Rico, any other territory
17 or possession of the United States, an Indian tribal
18 government (as defined in section 48(e)(4)(F)(ii)),
19 or any Alaska Native Corporation (as defined in sec-
20 tion 3 of the Alaska Native Claims Settlement Act
21 (43 U.S.C. 1602(m)).

22 “(h) TERMINATION.—This section shall not apply to
23 bicycles placed in service after December 31, 2025.”.

24 (b) CONFORMING AMENDMENTS.—

1 (1) Section 1016(a) is amended by striking
2 “and” at the end of paragraph (38), by striking the
3 period at the end of paragraph (39) and inserting “,
4 and”, and by adding at the end the following new
5 paragraph:

6 “(40) to the extent provided in section
7 36E(f)(1).”.

8 (2) Section 6211(b)(4)(A) of such Code is
9 amended by inserting “36E by reason of subsection
10 (c)(2) thereof,” before “32,”.

11 (3) Section 6213(g)(2), as amended by the pre-
12 ceding provisions of this Act, is amended—

13 (A) in subparagraph (U), by striking
14 “and” at the end,

15 (B) in subparagraph (V), by striking the
16 period at the end and inserting “, and”, and

17 (C) by adding at the end the following:

18 “(W) an omission of a correct vehicle iden-
19 tification number required under section 36E(d)
20 (relating to electric bicycles credit) to be in-
21 cluded on a return.”.

22 (4) Section 6501(m) is amended by inserting
23 “36E(f)(4),” after “35(g)(11),”.

1 (5) Section 1324(b)(2) of title 31, United
2 States Code, is amended by inserting “36E,” after
3 “36D,”.

4 (c) CLERICAL AMENDMENT.—The table of sections
5 for subpart B of part IV of subchapter A of chapter 1
6 is amended by adding at the end the following new item:
“Sec. 36E. Electric bicycles.”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to property placed in service after
9 December 31, 2021, in taxable years ending after such
10 date.

11 **PART 5—INVESTMENT IN THE GREEN**

12 **WORKFORCE AND MANUFACTURING**

13 **SEC. 136501. EXTENSION OF THE ADVANCED ENERGY**
14 **PROJECT CREDIT.**

15 (a) EXTENSION OF CREDIT.—Section 48C is amend-
16 ed by redesignating subsection (e) as subsection (f) and
17 by inserting after subsection (d) the following new sub-
18 section:

19 “(e) ADDITIONAL ALLOCATIONS.—

20 “(1) IN GENERAL.—Not later than 270 days
21 after the date of enactment of this subsection, the
22 Secretary shall establish a program to consider and
23 award certifications for qualified investments eligible
24 for credits under this section to qualifying advanced
25 energy project sponsors.